



DATE: May 1, 2009

TO: Commissioner Bill Bird
Commissioner Greg Drees
Commissioner Richard Francisco
Commissioner Elizabeth Garst
Commissioner Tammi Kircher
Commissioner Carol Kramer
Commissioner Janelle Rettig

FROM: Michelle Wilson, Project Manager, Honey Creek Resort State Park (RSP)

RE: Honey Creek Resort State Park March 2009 Operation Income Statements and Construction Update

Enclosed you will find Central Group Companies Inc's operations income statement for the month of March 2009 as received by the Department on April 28, 2009.

Food and Beverage

In March, Central Group Companies Inc. reported that there were 9,850 covers served, up from 7,171 covers in February. The resort had three weekends in a row with increased business due to the Wine and Jazz Fest, and 2 Spring Break weekends. The implementation of the menu and tracking has brought the food costs down from where they have been in previous months. According to the pro forma, food expenses still continue to exceed budget year-to-date.

Occupancy

March 2009

	Iowa Market	Regional Market	Honey Creek RSP	FY09 Pro Forma
Occupancy	45%	47.1%	51.6%	50.0%
Average Daily Rate	\$68.94	\$101.00	\$92.85	\$101.00

Preliminary reports received from Central Group Companies, Inc. show occupancy for April at 31%, lower than the projected 45% in FY09 pro forma. The Department will be working with Central Group Companies as they firm up reports for April, to determine the cause of the drop in occupancy for the month. This will be reported with the April Income Statement.

Sales and Marketing

Central Group Companies Inc. reports that the Spring Break special and the Jazz and Wine Fest helped drive occupancy numbers at the resort in March. The sales and marketing staff continue to work on specials and events for the spring and are gearing up for cabin completion and RAGBRAI.

The Department met with Honey Creek RSP sales staff and Lucas County Tourism to discuss working together on marketing materials and overall sales of area attractions. Lucas County Tourism is working on developing an inventory of available tourism opportunities and they are working with Honey Creek RSP to coordinate a joint meeting of all adjacent county economic development and tourism offices to further tourism in the area.

The Preserve

The Preserve opened officially the first week of March with all 18 holes. As indicated in the variance report, golf is under for the month on revenue, but has saved in expenses. Bad weather in March kept many people away from the course.

Construction

The Hansen Company is completing the back hardscape and will have projects completed by May 15th. They are also working on fixing the sunken finger on the marina and the marina should be completed and operating by Memorial Day weekend.

All seeding along the road and in the bioswales and retention basins has been completed. All seeding in the campground is completed with just a couple sites still in need of concrete, which should be completed in the next week or two with the opening of the RV campground by Memorial Day weekend. Wicks Construction is completing work on the trails and day-use road and anticipates completion by the end of May or June.

Vieco Inc. has completed cabin construction. All cabins have been inspected with very few punch list items that are almost completed. Central Group Companies, Inc. has been working for the last two weeks on installing all FF&E. They intend to have all or part of the cabin installations completed in 2-3 weeks with opening by Memorial Day weekend. All seeding has been completed in the cabin loops.

On Tuesday April 28th, an announcement was made by Bentley Management Group on their intent to develop 160 acres of land (commercial and residential) that lays just to the east of the resort. Don Berg, with Bentley Management Group, will be attending the NRC meeting in May to give a short presentation on the development that is planned.

**Honey Creek Resort State Park
Project Budget**

Budget Category		Source of Funds				Total	Expended to Date	Balance Remaining	Total					
		General Honey Creek	MFT	P & I										
Non-Construction Expenses														
Pre Bond Expenses from 2002/2003 appropriation	\$	1,850,000.00			\$	1,850,000.00	\$	1,849,838.00	\$	162.00	\$	1,850,000.00		
Staff, misc. expenses	\$	1,050,000.00			\$	1,050,000.00	\$	1,072,089.12	\$	(22,089.12)	\$	1,050,000.00		
Architecture & Engineering	\$	3,492,729.00			\$	3,492,729.00	\$	3,199,726.53	\$	293,002.47	\$	3,492,729.00		
Art Project	\$	225,000.00			\$	225,000.00	\$	191,565.00	\$	33,435.00	\$	225,000.00		
Legal	\$	150,000.00			\$	150,000.00	\$	159,384.95	\$	(9,384.95)	\$	150,000.00		
Preopening Compensation	\$	958,936.00			\$	958,936.00	\$	993,366.94	\$	(34,430.94)	\$	958,936.00		
Construction Packages														
Golf Course & Grading	\$	5,645,961.65	\$	46,702.61	\$	1,242,334.03	\$	6,892,498.29	\$	42,500.00	\$	6,934,998.29		
Golf Buildings	\$	799,587.00			\$		\$	773,145.80	\$	26,441.20	\$	799,587.00		
Lodge Base Bid	\$	19,340,000.00												
Approved Change Orders (Including Hardscape)	\$	1,409,011.00												
Total Lodge Package	\$	20,749,011.00			\$	20,749,011.00	\$20,335,512.91	\$	413,498.09		\$	20,749,011.00		
Sewer System and Lagoon	\$	1,421,634.00	\$	403,361.00		\$	1,824,995.00	\$1,198,966.77	\$	626,028.23	\$	1,824,995.00		
Docks	\$	-	\$	435,300.00		\$	435,300.00	\$327,203.00	\$	108,097.00	\$	435,300.00		
Roads and Parking	\$	1,212,104.10	\$	757,677.92	\$	4,614,384.98	\$	6,043,291.32	\$	540,875.68	\$	6,584,167.00		
Landscaping and Signs	\$	138,875.00			\$		\$	52,486.06	\$	86,388.94	\$	138,875.00		
Cabins Base Bid	\$	5,222,000.00							\$	-	\$	-		
Alternate 1 - Geothermal	\$	218,000.00												
Alternate 2 - Concrete pads	\$	23,100.00												
Total Cabin Package	\$	5,463,100.00			\$	5,463,100.00	\$4,877,928.18	\$	585,171.82		\$	5,463,100.00		
Activity Building	\$	350,000.00			\$	350,000.00			\$	350,000.00	\$	350,000.00		
Playground	\$	200,000.00			\$	200,000.00	\$9,557.00	\$	190,443.00	\$	200,000.00	\$	200,000.00	
Beach	\$	200,000.00			\$	200,000.00			\$	200,000.00	\$	200,000.00		
Equipment and Furnishings														
Golf Course Equipment	\$	588,000.00			\$	588,000.00	\$464,315.40	\$	123,684.60	\$	588,000.00	\$	588,000.00	
Experience Plan - Interpretation	\$	50,000.00			\$	50,000.00	\$30,418.74	\$	19,581.26	\$	50,000.00	\$	50,000.00	
Lodge FFE	\$	3,116,770.00			\$	3,116,770.00	\$3,025,339.63	\$	91,430.37	\$	3,116,770.00	\$	3,116,770.00	
Lodge FFE Design	\$	283,230.00			\$	283,230.00	\$268,258.34	\$	14,971.66	\$	283,230.00	\$	283,230.00	
Cabin FFE	\$	700,000.00			\$	700,000.00	\$712,513.17	\$	(12,513.17)	\$	700,000.00	\$	700,000.00	
Contingency and Bond Requirements														
Change Orders & Contingency	\$	-												
Change Orders & Contingency - Cabins	\$	-												
Total Change Orders & Contingency	\$	-			\$	-		\$	-		\$	-	\$	-
Operating Reserve Fund	\$	500,000.00			\$	500,000.00	\$86,407.00	\$	413,593.00	\$	500,000.00	\$	500,000.00	
Additional Operating Contingency (First Bond Payment due 6/1/09)	\$	753,743.00			\$	753,743.00		\$	753,743.00	\$	753,743.00	\$	753,743.00	
Total Expenditures	\$	49,898,680.75	\$	1,643,041.53	\$	5,856,719.01	\$	52,563,812.15	\$	4,834,629.14	\$	57,398,441.29	\$	57,398,441.29
Source of Funds														
Appropriations (pre-FY09)	\$	5,500,000.00			\$	5,500,000.00								
Appropriations (FY09)	\$	8,000,000.00			\$	8,000,000.00								
Bond Proceeds	\$	28,000,000.00			\$	28,000,000.00								
Other (interest)	\$	1,801,399.83			\$	1,801,399.83								
Appanoose County	\$	357,250.00			\$	357,250.00								
Monroe County	\$	357,250.00			\$	357,250.00								
Rathbun Lake Resort, Inc. (RLR)	\$	1,535,500.00			\$	1,535,500.00								
SWAP/Waste Tire Funds	\$	200,000.00			\$	200,000.00								
EPA Funds for bioretention	\$	100,000.00			\$	100,000.00								
FY07 Grow Iowa Values Fund	\$	1,000,000.00			\$	1,000,000.00								
FY08 Grow Iowa Values Fund	\$	1,000,000.00			\$	1,000,000.00								
FY09 Grow Iowa Values Fund	\$	800,000.00			\$	800,000.00								
FY10 Grow Iowa Values Fund (Contingent)	\$	1,000,000.00			\$	1,000,000.00								
Marine Fuel Tax			\$	1,643,041.53		\$	1,643,041.53							
Parks & Institutional Roads					\$	5,856,719.01	\$	5,856,719.01						
Total Funding	\$	49,651,399.83	\$	1,643,041.53	\$	5,856,719.01	\$	57,151,160.37						
Variance	\$	(247,280.92)	\$	-	\$	-								

Source: Budget and Finance Bureau
5/1/2009

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5/1/2009

Honey Creek Resort State Park
Project Budget

In-Kind Matching

Rathbun Regional Water Association	\$928,000
Chariton Valley Electric Cooperative	\$877,170
Iowa Telecom	\$250,000
Total In-Kind Matching	\$2,055,170